

BEFORE THE FEDERAL ELECTION COMMISSION

COMMISSION  
SECRETARIAT

2004 OCT 20 A 11: 28

**SENSITIVE**

MUR 5366

In the Matter of:

Edwards for President and Julius  
Chambers, as treasurer

Turner & Associates

Tab Turner

Neal and Elizabeth Turner

Brenda Gwin

**GENERAL COUNSEL'S REPORT #2**

**I. ACTIONS RECOMMENDED**

Find reason to believe that Edwards for President and Julius Chambers, as treasurer, violated 2 U.S.C. §§ 441b and 441f; and find reason to believe that Brenda Gwin, Neal Turner, and Elizabeth Turner violated 2 U.S.C. § 441f.

**II. BACKGROUND**

On April 14, 2004, the Commission found reason to believe that Tab Turner and his law firm, Turner & Associates, knowingly and willfully violated the Act by reimbursing four employees of the firm for their contributions to Edwards for President ("the Edwards Committee"). The Commission also found reason to believe that the four employees violated the Act by allowing their names to be used to make a contribution in the name of another. Finally, the Commission took no action at that time against the Edwards Committee.<sup>1</sup>

1 In response to the Commission findings, the respondents acknowledge that Turner &  
2 Associates reimbursed contributions to the Edwards Committee. They contend, however, that  
3 the violations were not knowing and willful, and they agreed to cooperate with the  
4 Commission's investigation and to voluntarily provide information. To date, this Office has  
5 reviewed hundreds of documents submitted by the respondents and interviewed six individuals:  
6 the four employees who were reimbursed for their contributions; their supervisor at the time,  
7 firm administrator Brenda Gwin; and the firm's accountant.

### 8 **III. DISCUSSION**

9 Although the investigation into the respondents' activities is ongoing, information  
10 gathered so far has revealed additional bases for the Commission's 441b and 441f findings  
11 against Turner & Associates and Tab Turner. The evidence also indicates that four other persons  
12 may have violated the Act: the Edwards Committee; Brenda Gwin; and Neal and Elizabeth  
13 Turner, Tab Turner's brother and sister-in-law. All of these persons appear to have played a role  
14 in making, assisting, or receiving contributions in the name of another. *See* 2 U.S.C. § 441f. In  
15 addition, the Edwards Committee appears to have accepted prohibited in-kind contributions from  
16 Turner & Associates. *See* 2 U.S.C. § 441b. Although further investigation is needed to  
17 determine the extent of each person's involvement in these possible violations, this Office  
18 believes that these persons should be placed on notice that their actions may have violated the  
19 Act and be given an opportunity to respond to the information discovered thus far.

#### 20 **A. Corporate Contributions**

21 Turner & Associates—a corporate entity—appears to have made in-kind contributions to  
22 the Edwards Committee related to two fundraising receptions hosted by Tab Turner in Little  
23 Rock, Arkansas, in February 2003. Turner agreed to host these fundraisers for Senator Edwards

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1 at the request of Jennifer Kinder, an employee of the Edwards Committee. Kinder previously  
2 worked for the Democratic National Committee, where she had assisted Turner in hosting  
3 fundraising events for two senatorial candidates in 2002.

4 --- According to credit card receipts and other documents, in February 2003 Turner &  
5 Associates paid \$2,357.88 for hotel and car expenses for employees of the Edwards Committee  
6 who traveled to Little Rock for the fundraising events.<sup>2</sup> In addition, Turner & Associates also  
7 required its employees to assist the Edwards Committee in planning the fundraising events.  
8 Brenda Gwin, the firm administrator at the time, regularly interacted with Jennifer Kinder of the  
9 Edwards Committee to plan the events and collect contributions. Gwin also occasionally  
10 requested that other Turner employees assist with the planning and fundraising, which they did.  
11 Gwin stated that she performed these services during her normal working hours as part of her  
12 official job responsibilities for the firm, sometimes spending more than 40 hours per week on  
13 fundraising activities.

14 Both the payments for the travel expenses and the personal services to the Edwards  
15 Committee appear to constitute in-kind contributions from the firm to the campaign and provide  
16 an additional basis for the Commission's previous finding that Turner & Associates and Tab  
17 Turner violated 2 U.S.C. § 441b. As for the Edwards Committee, the information discovered  
18 thus far supports investigating whether it knowingly accepted these prohibited in-kind  
19 contributions. Therefore, this Office recommends that the Commission find reason to believe  
20 that the Edwards Committee violated 2 U.S.C. § 441b.

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<sup>2</sup> Tab Turner personally signed a hotel form authorizing his firm credit card to be charged for room expenses for two employees of the Edwards Committee who traveled to Little Rock for the fundraisers. The expenses were paid out of the firm's bank account, but noted as personal expenses in the accounting ledgers for the firm. The accountant for Turner & Associates stated that all items recorded as personal expense are treated as income to Tab Turner at the end of the year. The Edwards Committee eventually reimbursed Tab Turner for these expenses on July 22, 2003—after the complaint was filed in this matter.

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**B. Contributions Made in the Name of Another**

**1. *Contributions from Employees of Turner & Associates***

The investigation has confirmed that Turner & Associates reimbursed four of its employees for their contributions to the Edwards Committee. However, the investigation has also discovered information showing that Brenda Gwin, the firm administrator who supervised those employees, was instrumental in assisting with the reimbursements. On the day before the fundraising events, Tab Turner telephoned Gwin and asked her to solicit four contributions for \$2,000 apiece from four employees of the firm. Gwin did so, telling the employees that the request came from Turner and assuring them that they would be reimbursed by the firm. Gwin immediately collected the checks from the employees, who have stated that they would not have contributed to the Edwards Committee but for Turner's request and the promise of being reimbursed.

Gwin personally delivered the employees' contribution checks to Jennifer Kinder, who was in Little Rock to organize the fundraising receptions for Senator Edwards. Gwin informed Kinder that the contributions were from employees of the firm, but did not tell her that the firm would be reimbursing the contributions.

At the request of Kinder, Gwin also filled out donor cards provided by the Edwards Committee for each employee. Gwin did not provide these donor cards to any of the employees who contributed, and the employees have all stated that they never saw the completed donor cards. Although these donor cards clearly state that contributions must be made with personal funds and cannot be reimbursed, Gwin claims that she did not read that directive and did not realize that the law prohibited someone from reimbursing contributions. Regardless of her actual knowledge as to the warning about reimbursed contributions, Gwin nonetheless appears to have assisted in the making of a contribution in the name of another. *See* 11 C.F.R. § 110.4(b)(iii).

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1 Therefore, this Office recommends that the Commission find reason to believe that Brenda Gwin  
2 violated 2 U.S.C. § 441f.<sup>3</sup>

3 2. *Contributions from Neal and Elizabeth Turner*

4 Tab Turner's brother and sister-in-law, Neal and Elizabeth Turner, also contributed  
5 \$2,000 to the Edwards Committee. Information obtained during the investigation shows that Tab  
6 Turner paid for this contribution on his firm credit card during one of the fundraising receptions  
7 for Senator Edwards. According to Brenda Gwin, who attended the fundraiser, Jennifer Kinder  
8 asked Tab Turner for his credit card and then filled out a donor card for Neal and Elizabeth  
9 Turner. The donor card lists Tab Turner's first initial and last name as the name on the credit  
10 card used for the contribution, but appears to be signed by Neal and Elizabeth Turner.<sup>4</sup>

11 Tab Turner's attorney in this matter has verbally represented that the reason Tab Turner  
12 paid for Neal and Elizabeth Turner's contribution is because Tab owed Neal money for a boat  
13 that Tab previously agreed to buy from Neal. However, no documentation or corroborating  
14 evidence to support this claim has yet been produced. Regardless, Tab Turner's use of his firm  
15 credit card to pay for Neal and Elizabeth Turner's contribution—with the apparent knowledge of  
16 the Edwards Committee—justifies further investigation. Therefore, this Office recommends that  
17 the Commission find reason to believe that the Edwards Committee and Neal and Elizabeth  
18 Turner violated 2 U.S.C. § 441f.<sup>5</sup>

<sup>3</sup> Although there is a basis to make a knowing and willful finding against Gwin, this Office does not recommend such a finding given Gwin's subordinate role and her cooperation with the investigation.

<sup>4</sup> The Edwards Committee refunded the contribution from Neal and Elizabeth Turner on July 23, 2003, well after the initial allegations in this matter surfaced.

C. Investigative Activity

IV. RECOMMENDATIONS

1. Find reason to believe that Edwards for President and Julius Chambers, as treasurer, violated 2 U.S.C. §§ 441b and 441f;
2. Find reason to believe that Brenda Gwin violated 2 U.S.C. § 441f;
3. Find reason to believe that Neal and Elizabeth Turner violated 2 U.S.C. § 441f;
4. Approve the appropriate factual and legal analyses; and
5. Approve the appropriate letters.

Lawrence H. Norton  
General Counsel

10/19/04  
Date

BY: Rhonda J. Vosdingh  
Rhonda J. Vosdingh  
Associate General Counsel for Enforcement

Mark D. Shonkwiler  
Mark D. Shonkwiler  
Assistant General Counsel

Brant S. Levine  
Brant S. Levine  
Attorney

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